

**BEFORE THE IDAHO PUBLIC UTILITIES COMMISSION**

<b>IN THE MATTER OF IDAHO POWER</b>	)	<b>CASE NO. IPC-E-21-41</b>
<b>COMPANY'S APPLICATION TO PROCEED</b>	)	
<b>WITH RESOURCE PROCUREMENTS TO</b>	)	<b>NOTICE OF APPLICATION</b>
<b>MEET IDENTIFIED CAPACITY</b>	)	
<b>DEFICIENCIES IN 2023, 2024, AND 2025 TO</b>	)	<b>NOTICE OF INTERVENTION</b>
<b>ENSURE ADEQUATE, RELIABLE, AND</b>	)	<b>DEADLINE</b>
<b>FAIR-PRICED SERVICE TO ITS</b>	)	
<b>CUSTOMERS</b>	)	<b>ORDER NO. 35314</b>
	)	

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On December 3, 2021, Idaho Power Company (“Company”) applied for authority to proceed “with procurement of capacity resources needed to provide adequate, reliable, and fair-priced service. Application at 1. The Company seeks an order: (1) eliminating the Commission’s requirement for the Company to comply with Oregon Public Utility Commission (“OPUC”) resource procurement rules in favor of a more expeditious—but still competitive—process; (2) authorizing it to move forward with resource procurements for recently identified generating resource needs in years 2023, 2024, and 2025; (3) affirming its support of vertically integrated utilities in Idaho maintaining ownership of the necessary generation, transmission, and distribution utility functions. *Id.* at 34.

The Industrial Customers of Idaho Power (“ICIP”), Idaho Conservation League (“ICL”), and Idaho Hydroelectric Power Producers Trust (“IdaHydro”), and Northwest and Intermountain Power Producers Coalition (“NIPPC”) petitioned to intervene, and the Commission granted their intervention. Order Nos. 35278 and 35299.

On December 10, 2021, IdaHydro filed a motion to dismiss. On December 15, 2021, ICIP filed a motion to dismiss. On December 22, 2021, ICL filed a motion to dismiss. The Company filed answers to the motions.

At the Commission’s January 18, 2022, Decision Meeting, Staff presented a decision memorandum describing the motions to dismiss filed by ICIP, ICL and IdaHydro and the Company’s answers to each. The Commission discussed the motions and whether to grant or deny any of the motions. The Commission decided to deny each motion and allow the case to continue.

The Commission now issues this Notice of Application and Notice of Intervention Deadline establishing a deadline for interested persons to intervene in this case.

NOTICE OF APPLICATION  
 NOTICE OF INTERVENTION DEADLINE  
 ORDER NO. 35314

## BACKGROUND

In 2010, the Commission initiated Case No. IPC-E-10-03 seeking to establish competitive bidding guidelines for the Request For Proposals (“RFP”) process used to acquire supply-side resources by the Company. In 2013, the Commission closed Case No. IPC-E-10-03 without establishing Idaho-specific resource procurement guidelines but directed the Company to follow the resource procurement guidelines applicable in its Oregon service area. *See* Order No. 32745. The OPUC Resource Procurement Rules impose competitive bidding requirements upon an electric utility for the “acquisition of a resource or a contract for more than an aggregate of 80 megawatts and five years in length,” among other requirements. OAR 860-089-0100(1)(a). There are certain exceptions to the applicability of the OPUC Resource Procurement Rules.

While preparing the 2021 IRP, an updated Load and Resource (“L&R”) balance analysis identified a first capacity deficit of 78 megawatts (“MW”) in June of 2023, growing each year through 2026, when the Boardman to Hemingway (“B2H”) transmission line is expected to be operational. The Company’s projected capacity deficits in the 2021 IRP have grown to 101 MW in 2023, 186 MW in 2024, and 311 MW in 2025.<sup>1</sup>

The Company’s updated L&R balance that identified the projected capacity deficit includes modifications to existing resource availability. First, the Company identified changes to its market purchase assumptions due to third party transmission constraints.<sup>2</sup> Additionally, the existing resource availability was revised to include updated thermal capacity and reduced demand response (“DR”) capacity determined through the refinement of the planning margin calculation.

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<sup>1</sup> These estimates reflect the Company’s best available information at the time of filing this Application. The Company had previously contracted with Jackpot Solar, LLC (“Jackpot Solar”) for 120 MW of solar generation to become commercially operational by December 2022. The energy contract with Jackpot Solar was reviewed and approved by the Commission. *See* Order No. 34515. On November 9, 2021, Jackpot Solar informed the Company that that global supply chain disruptions have raised concerns regarding Jackpot Solar’s ability to achieve commercial operation by the dates identified in the approved agreement. If the Jackpot Solar project is delayed beyond summer 2023, or not built, the Company indicates it will need approximately 40 MW of incremental peak capacity to meet projected customer demands.

<sup>2</sup> The net change between the Second Amended 2019 IRP and the updated L&R balance is a reduction of over 500 MW in available capacity each July during the 2022 through 2025 period. In response to the 2020 energy emergency event in California, third-party marketing firms began reserving unprecedented amounts of firm transmission capacity just outside the Company’s border, significantly limiting the Company’s access to market hubs. The Company tested the transmission market availability with an RFP issued in spring 2021—validated the existence of transmission system constraints. The RFP requested a market purchase with delivery at the Company’s border; however, no bids were received at any price-point. As a result of these recent and market changes, for the years 2023 through 2025, the Company reduced the transmission availability within its L&R balance from approximately 900 MW in the 2019 IRP to approximately 700 MW in the 2021 IRP during the peak load month of July.

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The Company has been resource-sufficient since the addition of the Langley Gulch natural gas-fired power plant about a decade ago but has moved from an expected resource-sufficient position through 2028, to a near-term capacity deficiency starting in summer 2023, since the acknowledgement of the 2019 Second Amended IRP in March 2021.

### **THE APPLICATION**

YOU ARE HEREBY NOTIFIED that the Company is currently conducting a RFP seeking to acquire up to 80 megawatts (“MW”) of Company-owned generation resources to meet the June 2023 capacity deficit. The Company is also investigating different configurations of Company-owned and constructed battery storage systems, modifications to its existing DR programs, and pursuing other short-term market solutions in attempts to meet the forecasted capacity deficits. While the 80 MW RFP is not subject to the OPUC Resource Procurement Rules due to the size-based exception, additional capacity deficits recently identified in the updated L&R balance 2023, 2024, and 2025 will require incremental generating capacity exceeding the 80 MW applicability threshold for the OPUC Resource Procurement Rules.

YOU ARE FURTHER NOTIFIED the Company requests to be relieved from the requirements of Order No. 32745 that directed the Company to follow the OPUC Resource Procurement Rules. The Company cites the lack of time to both comply with the OPUC Resource Procurement Rules and address the near-term resource needs. The Company estimates it could take a minimum of 18 months to arrive at a short list of bidders under the OPUC Resource Procurement Rules.<sup>3</sup>

YOU ARE FURTHER NOTIFIED that the Company seeks authority to proceed with supply-side resource procurements designed to meet the identified capacity deficits in 2023, 2024, and 2025. The Company will conduct an RFP to obtain competitive pricing and identify the best resource to ensure adequate, reliable, and fair-priced service to its customers, and will then bring that resource to the Commission for determination as to whether acquisition of that resource is consistent with the public convenience and necessity under applicable standards of *Idaho Code* § 61-526.

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<sup>3</sup> Concurrent with this Application, the Company filed a request with the OPUC to waive the applicability of the OPUC Resource Procurement Rules to the Company in its Oregon jurisdiction for the required resource acquisitions discussed herein for 2023, 2024, and 2025. Attachment 1 describes the timeline required for the unaltered OPUC competitive bidding requirements.

YOU ARE FURTHER NOTIFIED that the Company “asks the Commission to recognize and uphold the long-standing and successful regulatory policy of this state . . . acknowledging the required protection of both the utility and customers . . . and setting forth regulatory policy acknowledging the customer benefits of utility ownership of supply-side capacity resources under the regulated utility business model.” Application at 32. The Company cites several factors that are challenging the traditional utility model, including “non-utility ownership of generation assets, promoted by mechanisms such as [the Public Utilities Regulatory Policies Act], disproportionate tax incentives and practices, and state-mandated resource procurement rules designed to advantage non-utility generation that act to erode the financial viability of vertically integrated utilities.” *Id.* at 31-32.

YOU ARE FURTHER NOTIFIED that the Application and attachments are available for public inspection during regular business hours at the Commission’s office. These documents are also available on the Commission’s website at [www.puc.idaho.gov](http://www.puc.idaho.gov). Click on the “ELECTRIC” icon, select “Open Cases,” and locate and click on the case number as shown on the front of this document.

YOU ARE FURTHER NOTIFIED that all proceedings in this case will be held pursuant to the Commission’s jurisdiction under Title 61 of the Idaho Code.

YOU ARE FURTHER NOTIFIED that all proceedings in this matter will be conducted pursuant to the Commission’s Rules of Procedure, IDAPA 31.01.01.000 *et seq.*

#### **NOTICE OF INTERVENTION DEADLINE**

YOU ARE FURTHER NOTIFIED that persons who wish to intervene in this matter to obtain the rights of party (e.g., to file formal discovery, or present evidence, or cross-examine witnesses at a hearing) must file a Petition to Intervene with the Commission under the Commission’s Rules of Procedure 72 and 73, IDAPA 31.01.01.072 and .073. **Persons who wish to intervene as a party must file a Petition to Intervene no later than 14 days from the service date of this Order.** Such persons shall also provide the Commission Secretary with their e-mail address to facilitate further communications. After the intervention deadline runs, the Commission Secretary shall issue a Notice of Parties that identifies the parties and assigns exhibit numbers to each party. Once the Notice of Parties has issued, Commission Staff shall informally confer with

the Company and any intervening parties about how to further process this case and shall then report back to the Commission on a proposed case schedule.

YOU ARE FURTHER NOTIFIED that persons who would like to present their views without parties' rights of participation and cross-examination are not required to intervene but may present their views by submitting written comments to the Commission.

YOU ARE FURTHER NOTIFIED that the following people are designated as the Company's representatives in this matter:

Donovan Walker  
1221 West Idaho Street (83702)  
P.O. Box 70  
Boise, Idaho 83707  
[dwalker@idahopower.com](mailto:dwalker@idahopower.com)  
[dockets@idahopower.com](mailto:dockets@idahopower.com)

Tim Tatum  
1221 West Idaho Street (83702)  
P.O. Box 70  
Boise, Idaho 83707  
[ttatum@idahopower.com](mailto:ttatum@idahopower.com)

### **ORDER**

IT IS HEREBY ORDERED that persons desiring to intervene in this matter shall file a Petition to Intervene no later than 14 days from the service date of this Order. Once the deadline has passed, the Commission Secretary shall prepare and issue a Notice of Parties.

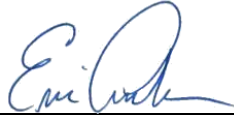
IT IS FURTHER ORDERED that, after the Notice of Parties has issued, Commission Staff shall confer with the parties regarding a procedural schedule for this matter.

IT IS FURTHER ORDERED that the motions to dismiss filed by ICIP, ICL, and IdaHydro are denied.

IT IS FURTHER ORDERED that parties continue to comply with Order No. 35058, issued June 3, 2021. All pleadings should be filed with the Commission electronically and shall be deemed timely filed when received by the Commission Secretary. *See* Rule 14.02. Service between parties should also be accomplished electronically. Voluminous discovery-related documents may be filed and served on CD-ROM or a USB flash drive.

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DONE by Order of the Idaho Public Utilities Commission at Boise, Idaho this 4<sup>th</sup> day of February 2022.



ERIC ANDERSON, PRESIDENT

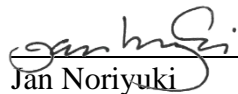


JOHN CHATBURN, COMMISSIONER



JOHN R. HAMMOND, JR., COMMISSIONER

ATTEST:



Jan Noriyuki  
Commission Secretary

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